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***Governmental Relations Department
City of San Diego***



To: Honorable Mayor & Members of the Committee on
Rules, Finance & Intergovernmental Relations

From: Andrew Poat
Date: March 7, 2005

Re: 2006 Federal Appropriations Requests and State and Federal
Budget Priorities

This report is the second of three by which the City will establish its 2005 legislative program. It proposes authorization for:

1. Federal appropriation requests
2. Federal and state budget priorities

Background

This year, the City of San Diego will be establishing a three part program related to State and Federal government:

- Legislative proposals for State & Federal government
- Budget and appropriations proposals for State & Federal government
- Legislative guidelines by which City positions on legislative and regulatory proposals are governed

The Governmental Relations Department (GRD) has made it a priority to develop more detailed legislative priorities, address funding issues, and rewriting the legislative guidelines to better reflect the views and priorities of the Council. In order to accomplish these tasks, and to afford the Council a better opportunity to understand the specific elements of each proposal, we are dividing the adoption of this program into three parts:

State and Federal Legislative Priorities
Budget and Appropriation Priorities
Legislative Guidelines

Complete
March 9, 2005
April, 2005

PART I

Federal Appropriations Discussion

Last fall, the Governmental Relations Department began working with city council and departments to assist in the development of federal appropriations requests. The efforts were engaged to maximize the City's receipt of federal earmarked funds. These projects listed below have not only been vetted internally, but considerable deliberation with the City's federal lobbyists has occurred. It is our assertion that their expertise in matching City requests to specific federal funding accounts, appropriations bills and congressional members will result in improved success for delivering federal funds to City projects.

Disclaimer: The process of earmarking federal appropriations bills is not an exact science. The funds appropriated to the City will look very different from the request list below. In almost every case, the amount requested is not the same as the final approved amount, if the project is funded at all.

While these projects are of importance to the City, the ultimate decision on which is funded and for what amount is negotiated via the enactment of the federal budget and must compete with what is determined important to Congress. It is our goal to convince Members of Congress that these projects should be their priority too.

For the purposes of this report, the projects have been listed according to federal funding categories.

Public Safety / Justice

PROJECT	AMOUNT	BILL	ACCOUNT(S)	DESCRIPTION
Crisis Intervention Communication	\$750,000	Justice	DOJ; Byrne Grants	Expansion of Crisis Intervention Team program.
Domestic Violence Initiative Safety Link - Victim Safety Technology	\$350,000	Justice	DOJ; COPS Technology Grants	Establish program to improve services and information access for intimate partner violence victims, incl: confidential intake system; webpage; data collection link b/w law enforcement agencies.
Domestic Violence Initiative Gun Violence Prevention Program	\$100,000	Justice	DOJ; Byrne Grants	Expansion of program through which SDPD identifies individuals subject to restraining orders and confiscates firearms to which they have access.
Domestic Violence Initiative Forensic Elder Abuse Program	\$260,000	Justice	DOJ; Byrne Grants	Expand Forensic Medical Unit to include elder abuse; develop mobile component

PROJECT	AMOUNT	BILL	ACCOUNT(S)	DESCRIPTION
Camp Hope	\$225,000	Justice	DOJ; Juvenile Justice Grants	Program serving victims of family violence. *Construction in Community Development

Health, Human Services, and Education

PROJECT	AMOUNT	BILL	ACCOUNT(S)	DESCRIPTION
6 to 6 Obesity Program	\$500,000	HHS / Education	Chronic Disease Prevention OR Public Health Improvements Fund for the Improvement of Education	Childhood obesity (health and nutrition) after-school program component
Healthy Moms – Healthy Children	\$225,000	HHS	Center for Mental Health Services	Expansion of Forensic Medical Unit to include mental health screenings for victims of domestic violence
Public Library Information Resources	\$450,000	IMLS	Institute for Museum and Library Services	Expansion of electronic database access and non-English materials; acquire resources.

Transportation

PROJECT	AMOUNT	BILL	ACCOUNT(S)	DESCRIPTION
Park Boulevard / Harbor Drive Grade Separation	\$3 million	Transp.	FHA General	Pedestrian bridge and at-grade improvements.
City Heights Streetscape Improvements	\$500,000	Transp.	TCSP	Combined Streamview Drive and University Avenue streetscape and enhancement projects
San Ysidro “Mi Pueblo” Pilot Village Traffic Circle	\$250,000	Transp.	FHA General OR TCSP	Construction of a traffic circle *Housing in Community Development

Community and Economic Development

PROJECT	AMOUNT	BILL	ACCOUNT(S)	DESCRIPTION
North Chollas Community Park	\$250,000	HUD	EDI	Park facilities and infrastructure development.
SRO Replacement	\$500,000	HUD	EDI	Replacement of single-resident occupancy housing displaced by federal courthouse development.

PROJECT	AMOUNT	BILL	ACCOUNT(S)	DESCRIPTION
San Ysidro "Mi Pueblo" Pilot Village Project	\$300,000	HUD	EDI	Housing development. *Traffic circle in Transportation
Camp Hope	\$450,000	HUD	EDI	Construction of camp facilities *Program in Public Safety/Justice
Naval Training Center (NTC) Promenade	\$1 million	Defense	Operations and Maintenance	Restoration and renovation of historic structures at former Naval Training Center closed due to BRAC.
Naval Training Center USS Recruit Museum and "Stories of NTC" exhibit	\$1 million	Defense	General Transfer Provision for Museums	Combined restoration of U.S.S. Recruit into museum and creation of "Stories of NTC" permanent exhibit.

Parks / Environmental

PROJECT	AMOUNT	BILL	ACCOUNT(S)	DESCRIPTION
Cleveland NFS / San Diego River Land Acquisition	\$500,000	Agric.	Forest Service; Land Acquisition	Acquisition of property for forest, wetland, and water quality protection.
Sunset Cliffs Erosion	\$350,000	EPA	Environmental Programs and Management	Erosion Study to analyze causes and provide recommendations, per approved Master Plan.
Los Penasquitos North Wetland Creation	\$675,000	EPA	Environmental Programs and Management	Biological mitigation.

Water / Wastewater

PROJECT	AMOUNT	BILL	ACCOUNT(S)	DESCRIPTION
Alvarado Treatment Plant Upgrades	\$1 million	EPA	State and Tribal Assistance Grants	Upgrades to meet water standards and expand capacity.
Miramar Treatment Plant	\$1 million	EPA	State and Tribal Assistance Grants	Upgrades to meet water standards and expand capacity.
Otay Water Treatment Plan	\$1 million	EPA	State and Tribal Assistance Grants	Upgrades to meet water standards and expand capacity.
Fill Removal at 2336 Hollister Street	\$2 million	Energy & Water	Army Corps of Engineers	Removal of unpermitted fill material and habitat restoration.
San Diego Area Water Reclamation Prog	\$3.5 million	Interior	Bureau of Reclamation	Regional fund for water reclamation activities.

Recommendation #1

Approve the pursuit of federal appropriations for the projects identified above and direct the Governmental Relations Department to seek their inclusion in the appropriate federal appropriations bills.

PART II

Federal Budget Discussion

In February, President Bush released his FY 2006 Federal Budget Proposal. The defense budget comprises half of the discretionary budget and therefore requires reductions in non-defense programs.

The President's budget principally is a policy document that serves as a framework for consideration by Congress as it prepares to make its own funding and program decision. The proposed programmatic changes and new initiatives will require Congressional action, either in the form of separate legislation or inclusion in appropriations bills.

The following issue areas have been identified as priorities to the City of San Diego:

Homeland Security & Public Safety

- Reduces overall funding for homeland security – but shifts available funds to categories that benefit the City of San Diego (directs Homeland Security funding to jurisdictions based on threat and vulnerability)
- Spending decreases in other public safety areas
 - COPS
 - Urban Search & Rescue

Transportation

- Funding level meets level anticipated by Transportation Plan
- Regional projects
 - SANDAG Lists
 - Mission Valley Rail Extension
 - Sprinter

Housing & Community Development

- Section 8 program – level funding
- Reorganization and decrease in funding for CBDG and other community development programs

Special Projects

- Funds construction of the Downtown Federal Court House Project

Recommendation #2

Direct the Governmental Relations Department to:

- a) Advocate for the full funding of the programs listed above;
- b) Support policy decisions which maximize the City's ability to receive federal funds; and
- c) Communicate the City's position to the San Diego Congressional Delegation

PART III

State Budget Discussion

On January 10, 2005 the Governor released his proposed FY 2005 – 2006 State Budget. This proposal will be the subject of numerous budget hearings, and proposed amendments in coming months.

The priority issues in the Governor's proposed budget are:

Property Tax Shifts

Budget proposal implements \$22.3 million reduction in City of San Diego local property tax revenues as agreed to by the California League of Cities in a two year budget agreement adopted with the Governor last summer

Reductions affecting the General Fund \$17.3 million

- Property Tax Confiscation \$17.3 million

Reductions affecting Redevelopment Agencies \$ 4.9 million

- Centre City Development Corporation \$3.7 million
- Southeast Economic Development corporation \$903,000
- City Redevelopment Agency \$275,000

Grant Program Reductions

Proposes \$5.4 million in program reductions affecting City of San Diego programs in addition to those contained in last year's budget agreement

Reductions affecting the General Fund \$5.22 million

- Booking Fees: \$5.22 million

Reductions affecting Non-General Fund Operations \$203,000

- Public Library Fund \$80,970 (Est.)
- Arts & Culture \$122,032 (Est)*

(* Funding was last provided in FY 2003)

Transportation

Proposes loaning \$1.3 billion in state transportation funds - \$403.25 million earmarked for the San Diego region - to the State General fund with repayment over 15 years

- Proposition 42 gas tax funds \$399,942,000
(Benefits highway, transit & local street/road projects throughout San Diego County)
- Local Streets & Roads \$3.25 million
(Benefits City of San Diego)

Policy Changes

Proposes pension policy changes affecting the City: The Governor announced his intention to constitutionally mandate that all California public agencies use defined contribution systems, rather than defined benefit programs, for employees hired after a proposed statewide initiative, if adopted by voters. Because this initiative would be a constitutional amendment, charter cities will be affected by its implementation.

“Loan” Repayment

Proposes other state budget changes affecting the City: 15 year financing is proposed for repayment of several “loans” of local government and education funding, including transportation and State Mandate payments to regional and local governments.

State Programs Impact on City

Reductions in State Agency funding impacting San Diego: The State’s Employment Development Department’s Job Service Program suffered a budget reduction of \$13 million in FY 2004-2005 with the majority of the operational cuts occurring at one-stop job training centers.

Recommendation #3

Direct the Governmental Relations Department to advocate in Sacramento for:

- a) Full funding of Redevelopment Tax Increment
- b) Full funding of Grant programs benefiting the City (including Booking Fees Reimbursement)
- c) Continued funding of Transportation projects; and
- d) Full funding for State Agency programs which directly benefit the City.